market so as to ensure maximization of value additon, minimization of wastages and improving farmers' income. Processing industries and retailers can provide the necessary demand for the agricultural produce and encourage a flow of market information, technology and inputs to the farmers so that he can tailor his output to the needs of the market and in the process raise his own level of income and employment. The Ministry's schemes are widely publicized through media including in vernacular media.

In the 11th Plan, it has also been proposed to continue assistance in the form of grant to private sector/public sector organisations through schemes for setting up of Food Testing Labs, Implementation of Quality Systems such as HACCP, ISO 9000, GHP and GMP Practices, Promotion of Research and Development, Capacity building and Human Resource Development and other promotional activities with higher levels of assistance. In addition, a new scheme for Upgradation of Quality of street foods is also being implemented.

FPIs in Uttarakhand

†934. SHRI HARISH RAWAT: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the total number of food processing units established in Uttarakhand during the last five years; and

(b) the details regarding total capacity of food processing available in this State and the details of plan of action formulated for use of this capacity?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) As food processing industries are both in the organized and unorganized sectors, information on total number of food processing industries established in the country including in Uttarakhand, the details regarding total capacity, capacity utilization, etc. are not centrally maintained in the Ministry of Food Processing Industries. However, the Ministry received 46 applications for setting up/modernization/expansion of food processing units in Uttarakhand during the last five year period from 2002-03 to 2006-07, out of which 24 units were sanctioned with a total amount of Rs. 681.097 lakhs.

Incentives to food processing industries

935. SHRI SITARAM YECHURY: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the details of the incentives sanctioned to the food processing industries by the UPA Government;

†Original notice of the question was received in Hindi.

(b) the details of processing units that are working and have applied for tax concessions under the new schemes;.

(c) whether it is a fact that despite the good number of concessions, the activities of the processing industries are slow; and

(d) if so, the reasons therefor and the measures contemplated by Government to see that the concessions are utilized in a proper manner?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) The details of budgetary incentives available for the food processing sector is enclosed as statement. (*See* below).

(b) The incentives indicated in statement are automatically available to the food processing units and they do not have to apply for the same. Various Associations from food processing sector request for budgetary incentives in the form of tax/duties reductions for food processing products. The Minister takes up these matters with the Ministry of Finance, who consider the same and announce the incentives in the Budget.

(c) and (d) Under development of infrastructure such as cold chain facilities, inefficient supply chains etc. result in low level of processing in agri-food products. During the 11th Plan, the Ministry is implementing revamped scheme for Infrastructure Development under which financial assistance will be provided for setting up Mega Food Parks, Cold Chain Infrastructure, Value Added Centres and packaging Centres. The Mega Food Park Scheme will provide backward and forward linkage as well as reliable and sustainable supply chain. It will provide a mechanism to bring farmers, processors and retailers together and link agriculatural production to the market so as to ensure maximization of value addition, minimize wastages and improve farmers' income.

As far as the proper utilisation of the fiscal concessions is concerned, the Department of Revenue, Ministry of Finance monitors the same under a well laid out frame work of rules and practices.

Statement

Details of budgetary incentives available for the Food Processing sector

Excise Duty

Overall the processed food items made from perishable vegetables, fruits, milk and poultry are by and large exempted from excise duties. Similarly, fish dairy products, edible products, fruits, nuts, citreous fruits, coffee, spices, cereals, edible vegetable oils, preparation of vegetables, fruits, nuts like jams, jelly, juices, tomato puree, sauces, ketchup, chicory etc. are also exempt from excise duty.

Intermediate items like vegetable oils already exempted from excise duty are also exempted from 4% Special Additional Duty (SAD) of Customs. Texturised Vegetable Proteins (Soya bari) and ready-to-eat packaged food also exempted.

No Excise duty on biscuits whose retail price does not exceed Rs 100 per kg. All kinds of food mixes inclduing instant mixes, condensed milk, ice cream, preparations of meat, fish and poultry, pectin, pasta and yeast, packaged coconut water, tea and coffee pre-mixes, puffed rice and milk containing edible nuts with sugar or other intergradient are excise exempt.

To encourage Cold Chain facilities, excise duty exempted, on end use basis, on refrigeration equipment (consisting of compressor, condensor units evaporator etc) above 2 TR (Tonne Refrigeration) utilising power of 50 KW or above.

Excise duty reduced from 16% to 8% on OTS Cans, Aseptic Bage & Aseptic Packaging Paper and Breakfast Cereals.

Only Sugar, Malt Products, Chocolates, Cocoa products etc. attract excise duty.

Customs Duty

Customs Duty on Bactrofuges reduced from 7.5% to NIL. Most of the Cold Chain equipments like refeer vans already exempted from Customs Duty.

Income Tax

Under the Income Tax Act, 100% tax holiday on profit for first five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables.

Others

All Services provided by Technology Business Incubators exempted from Service Tax. Similarly, their Incubates whose annual business turnover does not exceed Rs. 50 lakhs exempted from service tax for the first three years.

To promote outsourcing of research, weighted deduction of 125% on payments made to companies engaged in R&D.

Food processing units in Punjab

936. SHRI VARINDER SINGH BAJWA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the number of cases for setting up of new units and expansion of the existing units for